



Chapter 5

Other Accounts

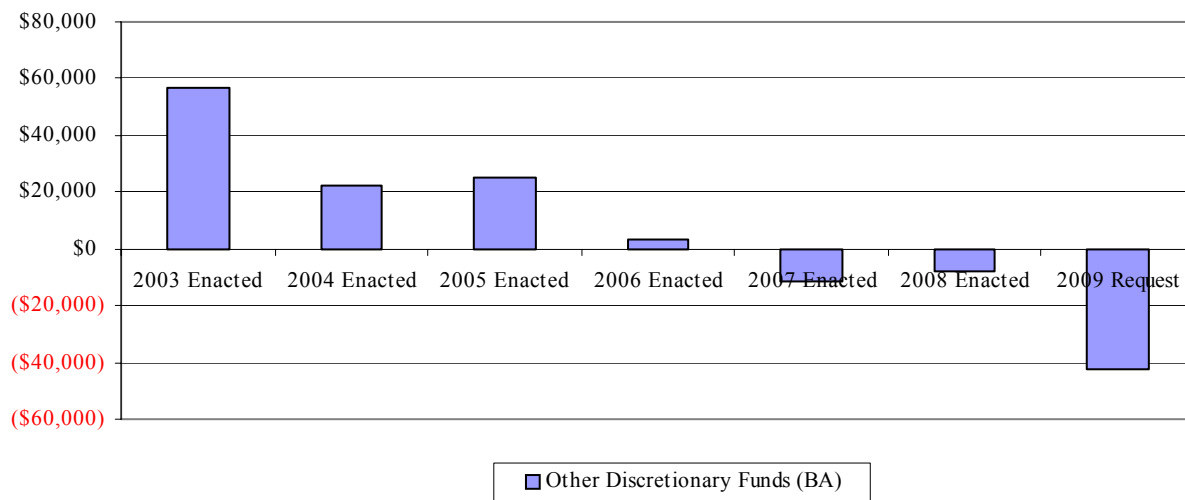


Other Discretionary Funds

(Dollars in Thousands)	FY 2007 Enacted	FY 2008 Enacted	FY 2009 Request	Increase (Decrease)
Other Discretionary Funds				
Coastal Zone Management Fund	\$0	\$0	\$0	\$0
Fisherman's Contingency Fund	0	0	0	0
Foreign Fishing Observer Fund	0	0	0	0
Fisheries Finance Program Account	(717)	235	0	(235)
Promote and Develop American Fisheries	(79,000)	(77,000)	(79,000)	(2,000)
Pacific Coastal Salmon Recovery Fund	66,571	67,000	35,000	(32,000)
Marine Mammal Unusual Mortality Event Fund	0	0	0	0
Medicare Eligible Retiree Health Care Fund	1,820	1,802	1,934	132
Total Other Discretionary Funds (Budget Authority - BA)	(\$11,326)	(\$7,963)	(\$42,066)	(\$34,103)
Total FTE	1	1	1	0

Budget Trends, FY 2003– 2009

(Dollars in thousands)





NOAA's other discretionary funds are a significant part of NOAA's ecosystem-based management of coastal and ocean resources. These funds address threatened and endangered species, promote biodiversity, contribute to the improvement of ocean science, and promote fisheries research.

Coastal Zone Management Fund

The Coastal Zone Management (CZM) Fund was created in 1990 in order to reimburse NOAA for expenses incident to the administration of the Coastal Zone Management Act. The CZM Fund was intended to issue grants to states for improving coastal zone management. Emphasis was placed on planning for unforeseen or disaster-related circumstances and recognition of excellence in coastal management. NOAA will continue to work with Congress to reauthorize the Coastal Zone Management Act.

Fishermen's Contingency Fund

The Fishermen's Contingency Fund (FCF) program minimizes financial instability of the fishing industry caused by competing uses of the Outer Continental Shelf (OCS) and provides for timely resolution of claims by vessel owners. The Fishermen's Contingency Fund is authorized under Section 402 of Title IV of the Outer Continental Shelf Lands Act Amendments of 1978. NOAA compensates U.S. commercial fishermen for damage or loss of fishing gear, vessels, and resulting economic loss caused by obstructions related to oil and gas exploration, development, and production in any area of the Outer Continental Shelf. The funds used to provide this compensation are derived from fees collected by the Secretary of the Interior from the holders of leases, exploration permits, easements, or rights-of-way in areas of the Outer Continental Shelf.

The FCF account is funded solely through user fees. Disbursements can be made only to the



extent authorized in appropriation acts.

Foreign Fishing Observer Fund

The Foreign Fishing Observer Fund (FFOF) is financed through fees collected from owners and operators of foreign fishing vessels fishing within the Exclusive Economic Zone (EEZ) of the United States (such fishing requires a permit issued under the Magnuson-Stevens Fishery Conservation and Management Act). The FFOF reimburses NOAA for costs incurred in placing observers aboard foreign fishing vessels. The observer program is conducted primarily through contracts with the private sector. NOAA/NMFS places these observers aboard foreign fishing vessels to monitor compliance with U.S. fishery laws and to collect fishery management data.

Amounts available in the Fund can be disbursed only to the extent and in amounts provided in appropriation acts. In FY 1985, Congress approved the establishment of a supplemental observer program. The program provided that foreign vessels without federally-funded observers are required to obtain the services of private contractors certified by the Secretary of Commerce.



Fisheries Finance Program Account

The Fisheries Finance Program (FFP) Account provides direct loans that promote building sustainable fisheries. This account was established in FY 1997 to cover the cost of financing direct loans as authorized by Title XI of the Merchant Marine Act of 1936. The President's Request proposes loan levels of \$8 million for individual fishing quotas. The re-authorization of the Magnuson-Stevens Fisheries Conservation and Management Act in October 1996 changed the program to provide direct loans rather than loan guarantees previously made under the Fishing Vessel Obligation Guarantee appropriation.

Promote and Develop Fisheries Products

The Promote and Develop Fisheries Products (PDFP) account makes grants for fisheries research and development projects. Funds are derived from a Department of Agriculture transfer to NOAA from duties on imported fisheries products. An amount equal to 30% of these duties is made available to NOAA, subject to appropriation limitations. The budget proposes that \$79.0 million be transferred to the ORF account to offset fisheries research and management activities. ORF expenses related to fisheries management support are reimbursed from the PDFP account. Funds not transferred are used for the Saltonstall-Kennedy competitive research grants program.

**Pacific Coastal Salmon Recovery Fund**

The Pacific Coastal Salmon Recovery Fund (PCSRF) was established to augment state, tribal, and local programs to conserve and restore sustainable Pacific salmon populations and their habitats. The FY 2009 funds are to be used by the states of California, Oregon, Washington, Alaska, Idaho, and the Pacific Coastal and Columbia River Tribes to supplement state and federal programs and promote the development of federal-state-tribal-local partnerships in salmon conservation efforts. The state and tribes will use these funds for projects necessary for restoration of salmon and steelhead populations that are listed as threatened or endangered, or identified by a State as at-risk to be so listed, for maintaining populations necessary for exercise of tribal treaty fishing rights or native subsistence fishing, or for conservation of Pacific coastal salmon and steelhead habitat. Funds provided to the states will have a matching requirement of at least 33 percent of total costs. Funds provided to Pacific Coastal and Columbia River Tribes do not require matching dollars.

Medicare Eligible Retiree Health Care Fund

This account provides for NOAA's contribution to a healthcare accrual fund for NOAA Corps officers. The accrual fund pays for the future healthcare benefits for current officers once they retire and become Medicare-eligible, as well as for their dependents and annuitants. The FY 2003 Department of Defense Authorization Act requires all uniformed services including NOAA to participate in an accrual fund for Medicare-eligible retirees. The Ronald W. Reagan National Defense Authorization Act for 2005 (P.L. 108-375) provided permanent, indefinite appropriations to finance these costs for all uniformed service members. No additional appropriations are requested as part of the FY 2009 President's Budget for NOAA. However, as these costs are borne in support of NOAA's mission, they will continue to be shown as part of the NOAA discretionary total.

Other Discretionary Funds — ADJUSTMENTS TO BASE:

- NOAA requests a net decrease of \$32,000,000 for the Pacific Coastal Salmon Recovery fund.

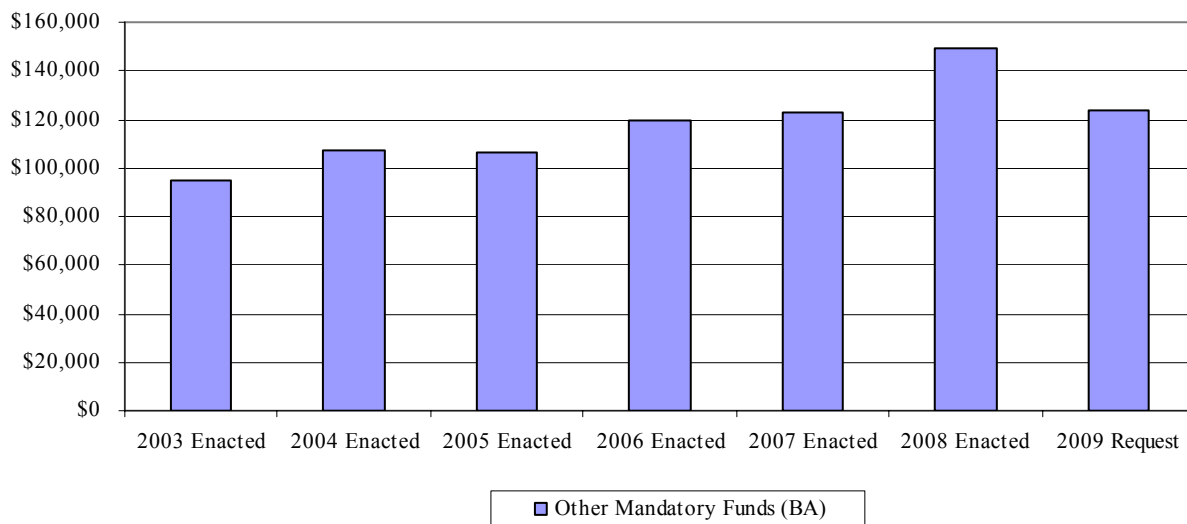


Other Mandatory Funds

(Dollars in Thousands)	FY 2007 Enacted	FY 2008 Enacted	FY 2009 Request	Increase (Decrease)
Other Mandatory Funds				
Coastal Zone Management Fund	(\$1,500)	(\$1,500)	(\$1,500)	\$0
Damage Assessment & Restoration Revolving Fund	1,000	1,000	1,000	0
Promote and Develop American Fisheries Products	82,816	84,594	84,594	0
Fisheries Finance Program Account	4,656	27,389	0	(27,389)
Federal Ship Financing Fund	(1,000)	(1,000)	(1,000)	0
Environmental Improvement & Restoration Fund	10,253	8,060	8,656	596
Limited Access System Administration Fund	7,444	7,444	7,444	0
NOAA Corp Commissioned Officers Retirement	19,322	23,119	24,272	1,153
Total Other Mandatory Funds (Budget Authority - BA)	\$122,991	\$149,106	\$123,466	(\$25,640)
Total FTE	20	20	20	0

Budget Trends, FY 2003– 2009

(Dollars in thousands)





Coastal Zone Management Fund

The Coastal Zone Management (CZM) Fund was established under the Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508) to receive repayments from the coastal energy impact program. These payments are used for CZM programs and administration as authorized by section 308 of the Coastal Zone Management Act, and will offset CZM administration costs in the ORF account. In FY 2009, NOAA proposes to continue the transfer of authorized funding from the CZM Fund to the ORF account for obligation to facilitate operation of the Fund.

Damage Assessment & Restoration Revolving Fund

The Damage Assessment and Restoration Revolving Fund (DARRF) was established in 1990 to facilitate oil and hazardous material spill response, damage assessment, and restoration activities for damages to natural resources for which NOAA serves as trustee. The Fund receives proceeds from claims against responsible parties, as determined through court settlements or agreements. In FY 1999 and prior years, funds were transferred to the Operations, Research, and Facilities account for the purposes of damage assessment and restoration. Beginning in FY 2000, funds were expended in DARRF and treated as mandatory budget authority.

DARRF facilitates and sustains: (1) natural resource damage assessment while the Departments of Commerce and Justice seek full reimbursement from potentially responsible parties, and (2) restoration, replacement, or acquisition of the equivalent of injured or lost natural resources, including resources of National Marine Sanctuaries and National Estuarine Research Reserves, tidal wetlands, and other habitats for which NOAA is trustee. To fulfill its responsibility as a



Federal trustee for living natural resources under the Superfund, Clean Water, and Oil Pollution Acts, NOAA conducts comprehensive assessments of damages to trust resources from discharges of oil or releases of hazardous substances in coastal and marine areas. DARRF uses recovered damages to: restore injured resources, monitor the restoration to assess its effectiveness, conduct basic and applied research on restoration methodologies, apply these techniques to restoration of resource habitats, and provide guidance to habitat managers for selecting among restoration approaches. These program functions are conducted jointly within NOAA by the Office of

General Counsel, the National Ocean Service, and the National Marine Fisheries Service.

Promote and Develop American Fishery Products & Research Pertaining to American Fisheries Fund

The American Fisheries Promotion Act of 1980 authorized a grants program for fisheries research and development projects funded by Department of Agriculture duties on fishery-related products. Thirty percent of these duties support the Promote and Develop American Fishery Products & Research Pertaining to American Fisheries Fund. The FY 2009 budget estimate is \$84.6 million. Of this amount, \$5.6 million will be used for the grants program to promote industry development through competitively awarded external grants (Saltonstall-Kennedy) for innovative research and development of projects in the fishing industry and for NOAA research efforts that complement the external program. NOAA will transfer the remaining \$79.0 million to offset marine fishery resource programs in the Operations, Research, and Facilities account in FY 2009.

Fisheries Finance Program Account

All Fisheries Finance Program Account (FFP) Account authority is subject to the Federal Credit Reform Act of 1990 (FCRA) (2 U.S.C. 661). The FCRA requires estimated loan costs (FCRA cost) be appropriated in cash at the time Congress authorizes annual credit ceilings. FFP Account loan activity demonstrates that the FCRA subsidy is negative. Statutory authority is found in 46 U.S.C. 1274 and 16 U.S.C. 1801 et seq. FFP Account lending guidelines are found at Title 50, Code of Federal Regulations (CFR), Part 253, subpart B; and tempered by NOAA's sustainable fisheries policy and by the practical considerations of a program that has been self-sustaining throughout its credit history.



Environmental Improvement & Restoration Fund

The Environmental Improvement and Restoration Fund (EIRF) was established by Title IV of P.L. 105-83, the Department of the Interior and Related Agencies Appropriations Act, 1998, to fund marine research activities in the North Pacific. Twenty percent of the interest earned from this fund is made available to the Department of Commerce. The Fund issues grants to Federal, State, and private or foreign organizations or individuals to conduct research activities on or relating to fisheries or marine ecosystems in the North Pacific Ocean, Bering Sea, and Arctic Ocean. Research priorities and grant requests are reviewed and approved by the North Pacific Research Board, with emphasis placed on cooperative research efforts designed to address pressing fishery management or marine ecosystem information needs. This program supports the NOAA strategic plan goal to sustain healthy coasts.

Limited Access System Administration Fund

The Limited Access System Administration Fund (LASAF) was established by Title III of Public Law 104-297. Fee Collections equaling no more than three percent of the proceeds from the sale or transfer of limited access system permits are deposited into the Fund. These deposits into the Fund are used to administer an exclusive central registry system for the limited access system permits.

Under the authority of the Magnuson-Stevens Act Section 304(d)(2)(A), NMFS must collect a



fee to recover the costs of managing and enforcing the Individual Fishing Quota (IFQ) Halibut/Sablefish program. Funds collected under this authority are deposited into the Limited Access System Administration Fund. Of the funds collected, 75 percent of fee payments are to be made available to the Secretary to offset costs of management and enforcement of the halibut and sablefish IFQ program, and 25 percent of

fees collected are to be made available for appropriation to support the North Pacific IFQ loan program.

NOAA Corps Commissioned Officers Retirement

The retirement system for the uniformed services provides a measure of financial security after release from active duty for service members and their survivors. It is an important factor in the choice of a career in the uniformed services and is mandated by federal statutes under Title 10, United States Code. NOAA transfers retirement pay funds to the Coast Guard, which handles

the payment function for retirees and annuitants. Health care funds for non-Medicare-eligible retirees, dependents, and annuitants are transferred to the U.S. Public Health Service, which administers the health care program.

Marine Mammal Unusual Mortality Event Fund

Marine Mammal Protection Act Section 405 (16 USC 1421d) establishes the Marine Mammal Unusual Mortality Event Fund. The fund: “shall be available only for use by the Secretary of Commerce, in consultation with the Secretary of the Interior to compensate persons for special costs incurred in acting in accordance with the contingency plan issued under section 1421c(b) of this title or under the direction of an Onsite Coordinator for an unusual mortality event; for reimbursing any stranding network participant for costs incurred in preparing and transporting tissues collected with respect to an unusual mortality event for the Tissue Bank; and for care and maintenance of marine mammal seized under section 1374(c)(2)(D).” According to the MMPA, deposits can be made into Fund by the following: “amounts appropriated to the Fund; other amounts appropriated to the Secretary with respect to unusual mortality events; and amounts received by the United States in the form of gifts, devises, and bequests under subsection (d) of this section.”



Other Mandatory Funds — ADJUSTMENTS TO BASE:

NOAA requests a net decrease of \$1,749,000 for ATBs, distributed as follows:

- An increase of \$596,000 for the Environmental Improvement and Restoration Fund.
- An increase of \$1,153,000 for NOAA Corps Commissioned Officers Retirement.